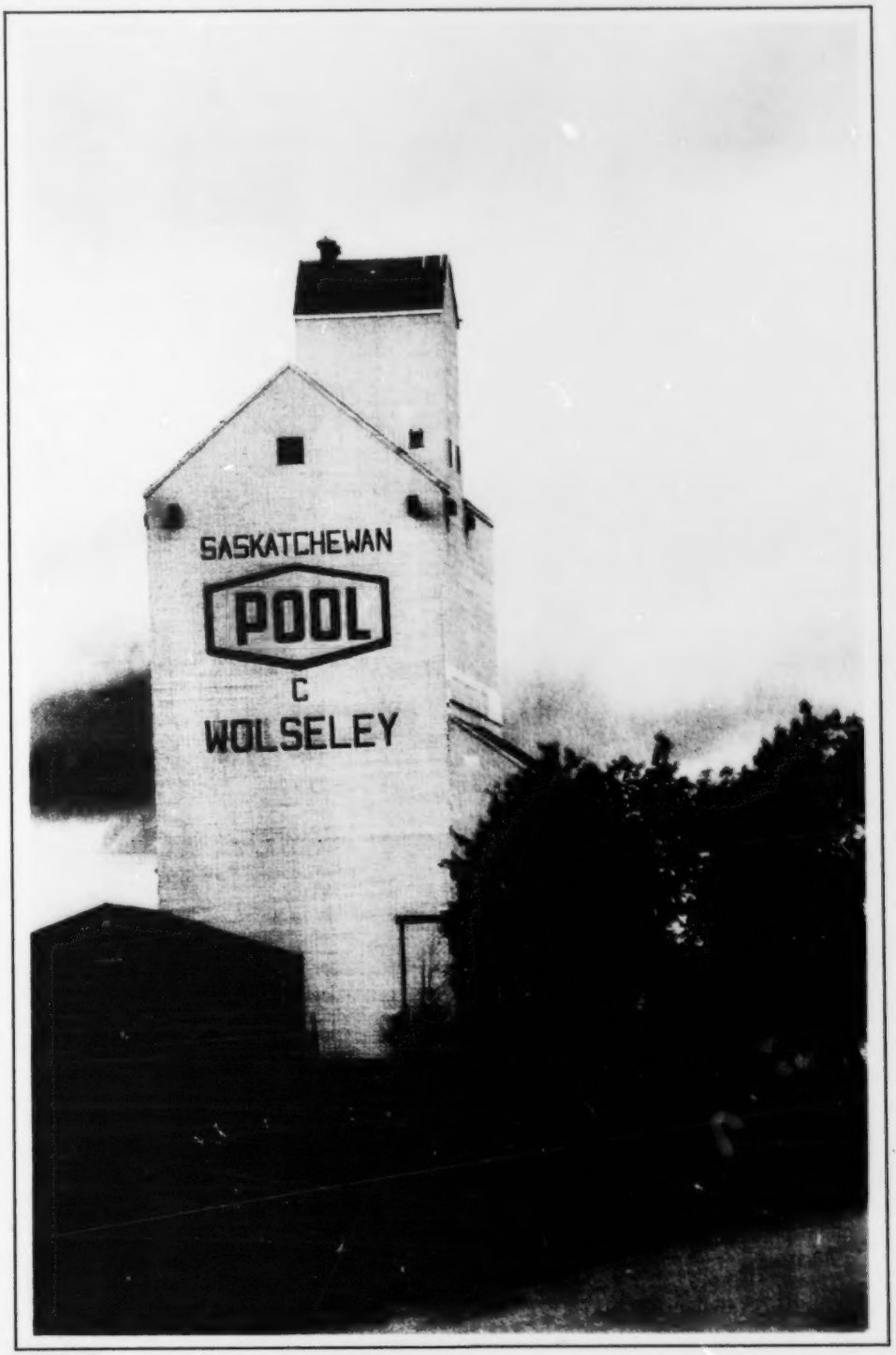
Department
of Telephones
Saskatchewan

Annual Report 1988

Saskatchewan



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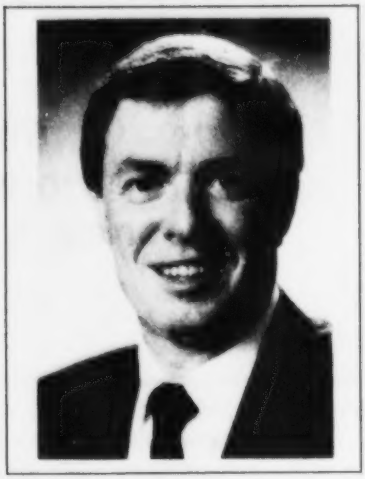
Annual Report

DEPARTMENT OF TELEPHONES
Province of Saskatchewan
Calendar year 1988

Hon. J. Gary Lane
Minister

Mr. Doug Smith
Deputy Minister



Hon. J. Gary Lane
Minister of Telephones

REGINA, Saskatchewan
January, 1989

TO HER HONOUR

The Honourable Sylvia Fedoruk, O.C., S.O.M.,

Lieutenant Governor of the Province of Saskatchewan.

Dear Lieutenant Governor:

I have the honour to submit herewith, the report of the Department of Telephones covering the activities of the rural telephone systems in the province for the calendar year 1988.

I have the honour to be,

Your obedient servant,

J. Gary Lane,
Minister of Telephones.

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1988 Report at a glance

- During 1988, eleven rural telephone companies, with 419 subscribers joined SaskTel making a total of 698 companies with over 48,267 subscribers assimilated in the last twelve years.
- As of December 31, 1988, there are 6 Rural Telephone Companies in the Province of Saskatchewan.
- Rural telephone company spending totalled $18,371, down 43% from the previous year.
- Maintenance grants to rural companies were discontinued in 1986.
- As of 1984, all existing rural telephone companies were debt free.

Administration

Rural telephone companies historically were responsible for providing telephone service to Saskatchewan's farming population. During the last 12 years, 698 companies have voluntarily given the responsibility for their serving area to SaskTel.

Under Section 5 of The Telephone Department Act, SaskTel administers The Rural Telephone Act and gives advice and guidance to rural companies for constructing and maintaining their plant to approved standards.

During 1988 SaskTel provided technical assistance to rural companies, as well as administrative help in winding up the companies that have joined SaskTel. Meetings were held with subscribers and boards of companies interested in joining SaskTel under the Voluntary Assimilation Program.

Companies assimilated during year - 1988

Name	Connecting point	Number of subscribers	Assimilation date
Porcupine	Porcupine Plain	17	January 10, 1988
Heward	Stoughton	41	June 29, 1988
Kilmory	Watrous	16	January 19, 1988
North Weyburn	Weyburn	35	September 22, 1988
Watrous	Watrous	14	January 19, 1988
Belleview	Rouleau	6	December 28, 1988
Ituna	Ituna	105	December 12, 1988
Crooked Lake	Broadview	16	June 4, 1988
Glendale	Balcarres	9	December 4, 1988
Leo	Hanely	25	October 28, 1988
Ridgedale	Ridgedale	135	January 13, 1988
	Total	**419**	

Grant programs - 1960 to 1986

In 1960, a program of grants was introduced providing funds to rural telephone companies that would assist and encourage them to upgrade the quality and reliability of the telephone service they provided to their subscribers. Grants were discontinued in 1986 with the introduction of SaskTel's Rural Individual Line Service Program.

Instrument grant - 1960 to 1974

$989,483 was paid to provide dial-operated telephones free of charge in exchange for the magneto telephones.

Pole grant - 1960 to 1974

Approximately $1,700,000 was paid to assist in the purchase of over 700,000 treated poles.

Maintenance grant - 1960 to 1986

An annual grant of $2.50 per subscriber, of which approximately $1,786,000, was paid to rural companies who maintained their plant to approved standards. The Maintenance grant was discontinued after 1986.

Circuit grant - 1965 to 1986

The circuit grant was started in 1965 when reliable cable became available and replaced pole line construction almost immediately. It reduced the number of above-ground obstacles from an average of 25 poles per mile to an average of two pedestals per mile. The circuit grant cost approximately $4,791,000 and was discontinued in 1986 because of SaskTel's Rural Individual Line Service Program.

Operational assistance to rural telephone companies

There were seventeen rural telephone companies still in operation at the beginning of 1988 and the department staff continued to offer technical advice and assistance as in the past.

Six general meetings were attended concerning assimilation, and four board meetings were held with SaskTel Officials to discuss Rural Individual Line Service and the Voluntary Assimilation Program.

The annual financial report of each rural company was reviewed and recorded. Details from the statements are included in this report.

The Voluntary Assimilation Program

Responding to requests from rural telephone companies and the Association of Rural Telephone Companies, SaskTel, in 1976, announced two new programs.

The Voluntary Assimilation Program allows any rural telephone company to voluntarily give the responsibility for providing telephone service in its area to SaskTel. The Rural Service Improvement Program essentially provided for all rural telephone plant in the province to be buried with no more than four subscribers per circuit.

In the 10 years prior to 1976, SaskTel's Unserved Area Program assisted rural companies greatly by burying cables to pockets of farmers situated beyond the rural company serving area, allowing rural companies along the cable routes to rent cable pairs or in some instances to join SaskTel. Over 100 rural companies joined SaskTel during that period with 687 companies joining SaskTel in the last ten years.

In 1986, the Rural Individual Line Service Program was introduced. This program provides private line service to rural subscribers in the province and is scheduled to be completed during 1991. This program requires all rural companies to provide private line service to their subscribers. Should a rural telephone company find it is not feasible to carry out this program, an opportunity to assimilate with SaskTel is offered, in accordance with The Rural Telephone Act.

The following indicates rural companies assimilated in the past by SaskTel:

Year	Number of companies	Number of subscribers
1967	1	5
1968	8	96
1969	2	25
1970	-	-
1971	8	225
1972	-	-
1973	8	528
1974	22	677
1975	27	715
1976	29	1,570
1977	460	33,603
1978	69	4,545
1979	32	3,041
1980	35	2,059
1981	26	1,392
1982	30	1,666
1983	1	222
1984	6	255
1985	3	86
1986	11	285
1987	14	694
1988	11	419

At year end, there were 2 applications for assimilation of the remaining 6 companies

Rural Saskatchewan goes private line

Ever since SaskTel was created, nearly 80 years ago, the corporation has constantly maintained its leadership in the telecommunications industry. SaskTel's objective has always been to provide Saskatchewan residents with the most modern telecommunications facilities possible. In 1986, SaskTel took another bold step into the future. The individual line project will result in the elimination of rural multi-party lines in the province by early 1991.

All rural telephone companies will be expected to upgrade their network system to accept this new service or to assimilate with SaskTel.

Besides the advantages of privacy and convenience, individual line service will provide full access to a broad range of communication services and products previously available only to urban residents. Rural individual line customers ultimately will be able to select from a full range of products such as cordless phones, telephone answering units, and telephone sets which can handle both voice and data transmission. Business customers, including those in the agricultural industry, will be offered an extensive line of other telecommunications options and services.

Those rural companies which still operate today are being both encouraged and assisted to assimilate with SaskTel so they too may become a part of this exciting new era, where the rural party line will soon become a thing of the past.

Summary of statistical returns from rural telephone companies

Size of companies	Number of companies			Number of telephones (all companies)		
Subscribers	1986	1987	1988	1986	1987	1988
1 - 10	6	—	1	47	24	8
11 - 25	9	6	1	147	98	11
26 - 50	5	3	—	183	110	—
51 - 100	7	3	4	453	164	284
101 - 200	4	2		509	241	—
	31	17	6	1,339	637	303

Receipts and expenditures

	1986	1987	1988
Rentals Received	$ 47,330	$ 25,602	$ 4,603
Total Receipts	$ 80,377	$ 37,930	$ 14,714
Total Expenditures	$ 104,078	$ 42,555	$ 17,540

Financial activities of rural telephone companies

Authorization to regulate the operation of rural telephone companies by the Department of Telephones is provided under The Telephone Department Act. In practice the major area of regulation is the control of funds raised by the telephone tax. Spending of tax proceeds must receive the approval of the Department.

The following table shows the number of companies using special levy funds and the special account receipts and expenditures for each of the last 16 years.

Year	Number of companies	Special account proceeds	Amount expended
1973	540	3,029,865	2,884,522
1974	511	3,436,179	3,320,900
1975	496	4,698,701	4,617,941
1976	505	5,325,494	5,242,792
1977	135	1,136,952	1,259,317
1978	86	641,899	689,592
1979	70	351,230	350,456
1980	48	200,708	274,766
1981	34	104,909	132,410
1982	11	28,918	36,694
1983	7	26,845	37,272
1984	6	11,704	9,582
1985	6	22,412	6,339
1986	6	23,434	7,001
1987	6	970	5,103
1988	2	687	
		$19,040,907	$18,874,687

Special Account funds in banks or credit unions at December 31, 1988 were $4,898.

PROVINCE OF SASKATCHEWAN
ANNUAL REPORT OF RURAL TELEPHONE COMPANIES
As at December 31, 1988

Name of Company	Connecting Point	Rental Received	Total Receipts	Total Expenditures	Kilometers				Farms	No. of Telephones		
					Open Wire		Buried					
					Route	Circuit	Route	Circuit		Res.	Bus.	Total
Balcarres West	Balcarres	707	760	463	—	—	10	23	11	11	—	12
East Borden	Borden	2,056	2,274	2,391	—	—	48	187	54	54	—	54
oLoreburn	Loreburn	1,650	11,408	11,991	—	—	66	—	51	83	—	83
Pelly	Pelly	—	63	2,118	1	1	44	42	60	96	—	96
Redrows	Balcarres	190	209	577	—	—	16	14	8	8	—	8
*oSt. Boswells	Hodgeville	—	—	—	—	—	—	—	51	51	—	51
TOTAL (6 Companies)		**$4,603**	**14,714**	**17,540**								**303**

* Statistics not available
o Applied to assimulate